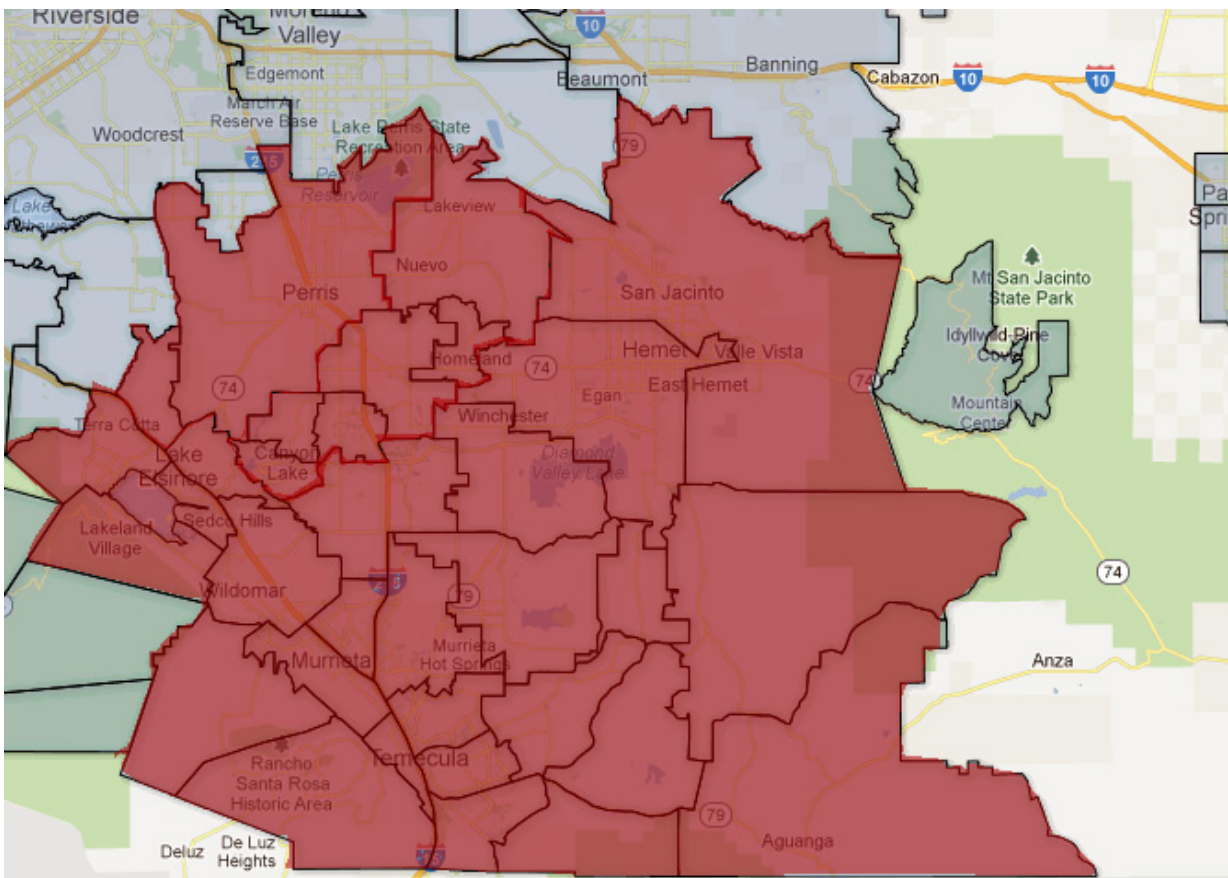




Real Estate Market Report May 2013



A comprehensive report on the
SW Riverside County real estate market.

www.SWRiversideCountyHomes.com

KELLER WILLIAMS® REALTY
27290 Madison Ave #200 • Temecula, CA 92590 • (951)506-5744 • (888)386-4035

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May, 2013

In May,

The number of homes sold went up 9.6% from April. This is the start of the busy season for buying and selling homes. With schools finishing up all around the county homeowners are starting to look to sell or buy homes.

The number of distressed sales also continues to decrease. As housing prices go up, foreclosures are on the decline. A total 1,403 mortgage default notices, auction sale notices and bank repossessions were recorded, meaning 1 in 566 households was in some stage of foreclosure, according to Irvine-based RealtyTrac.

"This is a market that is still re-balancing," DataQuick President John Walsh said. "Sales of deeply discounted properties in affordable neighborhoods are way down. Activity in middle- and high-end communities is on its way up. Now it's catch-up time, with a healthier economy spurring more demand and rising prices tempting more people to put their homes up for sale."

We hope this Southwest Riverside County Market Report with detailed information by price range; zip codes and area help you make the best decisions for you and your family. It is our pleasure to deliver it to you so together we can spot the trends.

Please, call us if we can provide you any additional information.

Regards,

A handwritten signature in black ink that reads 'Tom Olsewski'. The signature is written in a cursive, flowing style.

Tom Olsewski



Summary of the SW Riverside County Market

Home Sales in May

1157 Homes Sold

6.5% decrease from last year



Market Inventories in different Price Ranges

Below \$400k = **Extreme Seller's Market**

\$400K-\$500K = **Extreme Seller's Market**

\$500K & Up = **Normal Seller's Market**

Homes for Sale

1186 Homes *for Sale*

Month's of Inventory

1.03 Month's Inventory

Type of Market: **Extreme Seller's Market**

Average Sold Price

\$268,389 average price of homes

Days on Market

51 Days – Average Days on Market

Cash Buyers in May

39.4% of sales *Cash*

Financing Type

18.7% of sales *FHA*

31.2% of sales *Conventional*

8.2% of sales *VA Loan*

Top selling **Region** = Hemet

Distressed Property and Investor Market – **27.8%** of all sales in May 2013 were in a distressed situation

What Are Sellers Getting for Their Home? – Sellers are getting **99.9%** of asking price.

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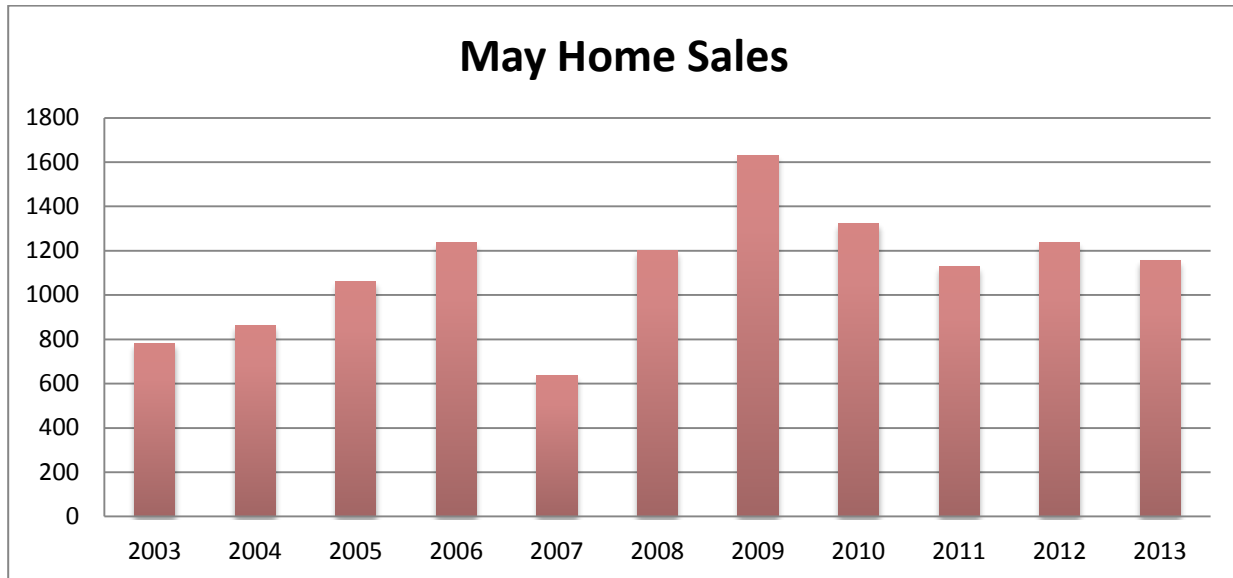
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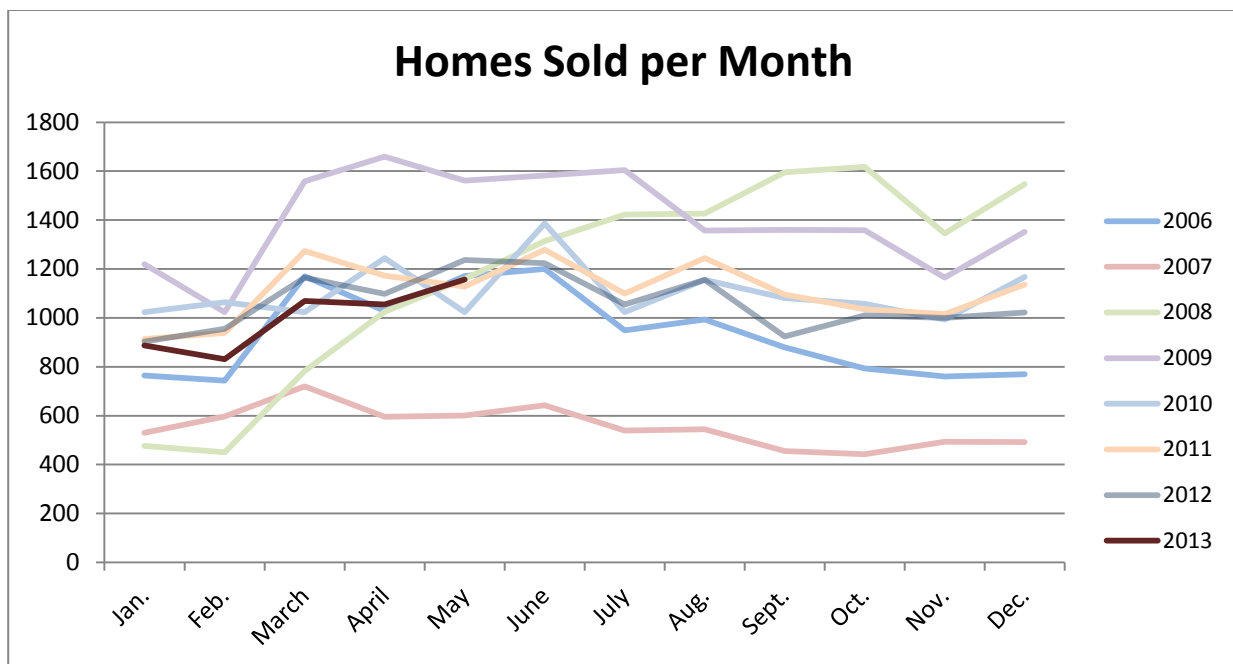
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Sales are on the decline for the month of May. After hitting an all time high in 2009, sales at the beginning of this year have lost steam.



The chart below follows the trends of number of sold homes during any given month. In May **1157** homes sold in Southwest Riverside County. This is a **6.5% decrease** in sold homes since this month last year.





May 2013 Homes Sales By Price Band

Price Range	# of Sold	Active Listings	Month's of Inventory	Market
\$0-\$100K	100	114	1.14	Extreme Seller's Market
\$100K-\$200k	356	284	0.80	Extreme Seller's Market
\$200K-\$300K	359	185	0.52	Extreme Seller's Market
\$300K-\$400K	217	206	0.95	Extreme Seller's Market
\$400K-\$500K	72	122	1.69	Extreme Seller's Market
\$500K-\$600K	25	57	2.28	Extreme Seller's Market
\$600K-\$700K	5	46	9.20	Normal Buyer's Market
\$700K-\$800K	7	29	4.14	Normal Seller's Market
\$800K-\$900K	3	27	9.00	Normal Buyer's Market
\$900K-\$1M	3	15	5.00	Normal Seller's Market
\$1M-\$2M	9	76	8.44	Extreme Buyer's Market
\$2M-\$3M	1	19	19.00	Extreme Buyer's Market
\$3M<	0	6	N/A	Extreme Buyer's Market
Overall MKT	1157	1186	1.03	Extreme Seller's Market
12+ months of inventory		Extreme Buyer's Market		High Depreciation
9-12 months of inventory		Normal Buyer's Market		Moderation Depreciation
6-9 months of inventory		Balanced Market		Flat or Moderate Depreciation
3-6 months of inventory		Normal Seller's Market		Moderate to High Appreciation
0-3 months of inventory		Extreme Seller's Market		High Appreciation

Southwest Riverside County has seen a drop in the number of sales in the lower price ranges in May. That combined with the lower number of homes for sale has created an **Extreme Seller's Market**. Although it shows an **Extreme Seller's Market** we have to take into consideration the approximate 50% drop in home value over the last 3 to 4 years.

The \$400K-\$500K ranges, is an **Extreme Seller's Market**, while the \$500K and up is a **Normal Seller's Market**.



May 2013 Homes Sales By Region

Region	# of Sold	Active Listings	Month's of Inventory	Avg. Sale Price	Avg. DOM
Temecula South	95	77	0.81	\$373,847	44
Temecula North	123	114	0.93	\$403,564	51
Temecula West	8	41	5.13	\$795,969	113
Murrieta North	65	28	0.43	\$288,327	42
Murrieta West	47	91	1.94	\$495,450	60
Murrieta East	74	58	0.78	\$278,378	43
Winchester	48	33	0.69	\$293,941	52
Wildomar	42	31	0.74	\$229,076	38
Menifee	131	77	0.59	\$229,948	33
Hemet	166	260	1.57	\$150,081	57
San Jacinto	77	72	0.94	\$147,386	53
Perris	89	85	0.96	\$176,985	47
Lake Elsinore	96	87	0.91	\$224,857	45
Canyon Lake	36	73	2.03	\$325,564	73
Quail Valley	1	5	5.00	\$60,000	45
Sun City	36	20	0.56	\$132,753	47
Romoland	10	8	0.80	\$229,650	59
Homeland	4	15	3.75	\$133,750	46
Nuevo	9	10	1.11	\$129,861	17

12+ months of inventory	Extreme Buyer's Market	High Depreciation
9-12 months of inventory	Normal Buyer's Market	Moderation Depreciation
6-9 months of inventory	Balanced Market	Flat or Moderate Depreciation
3-6 months of inventory	Normal Seller's Market	Moderate to High Appreciation
0-3 months of inventory	Extreme Seller's Market	High Appreciation

Sales by Region

The above chart provides detail of how well each region of Southwest Riverside County are selling. **Hemet** and **Menifee** continue to outperform the rest of the market. The demand is driven by a great location, and low cost of ownership.



What are Sellers Getting for Their Home?

This section shows the percentage of the listing price that the sellers are actually receiving in each of the following areas as well as for the entire market.

Percentage of Listing Price			
Region	Avg. Sell Price	Avg. List Price	% of Listing Price
Temecula South	\$373,847	\$371,928	100.5%
Temecula North	\$403,564	\$411,518	98.1%
Temecula West	\$795,969	\$855,600	93.0%
Murrieta North	\$288,327	\$285,644	100.9%
Murrieta West	\$495,450	\$458,541	108.0%
Murrieta East	\$278,378	\$275,365	101.1%
Winchester	\$293,941	\$287,988	102.1%
Wildomar	\$229,076	\$219,846	104.2%
Menifee	\$229,948	\$224,559	102.4%
Hemet	\$150,081	\$155,081	96.8%
San Jacinto	\$147,386	\$147,067	100.2%
Perris	\$176,985	\$176,080	100.5%
Lake Elsinore	\$224,857	\$220,924	101.8%
Canyon Lake	\$325,564	\$335,070	97.2%
Quail Valley	\$60,000	\$60,000	100.0%
Sun City	\$132,753	\$131,748	100.8%
Romoland	\$229,650	\$230,880	99.5%
Homeland	\$133,750	\$138,616	96.5%
Nuevo	\$129,861	\$118,444	109.6%
TOTAL MKT	\$268,389	\$268,679	99.9%

This chart shows that for the month of May home sellers are getting **99.9%** of their asking price. The days of buyer's coming in and offering well below the asking price are no longer here.



Distressed Property and Investor Market

With about **27.8%** of all sales being Foreclosure and Short Sales, Southwest Riverside County market is prime for investors to help turn it around and make strong returns. This insert outlines short sales and foreclosure sales best areas to invest in, and estimated cash flows and cap rate.

	2011 Sales	%	2012 Sales	%	May 2013 Sales	%
REO Sales	4,886	38.21%	2,848	21.73%	74	6.4%
Short Sales	3,433	26.84%	4,252	32.44%	248	21.4%
Total Distressed Sales	8,319	65.05%	7,100	54.17%	322	27.8%
Total Sales (Normal Resale and Distressed)	12,788		13,108		1,157	

Strong Performing Areas – for Investors

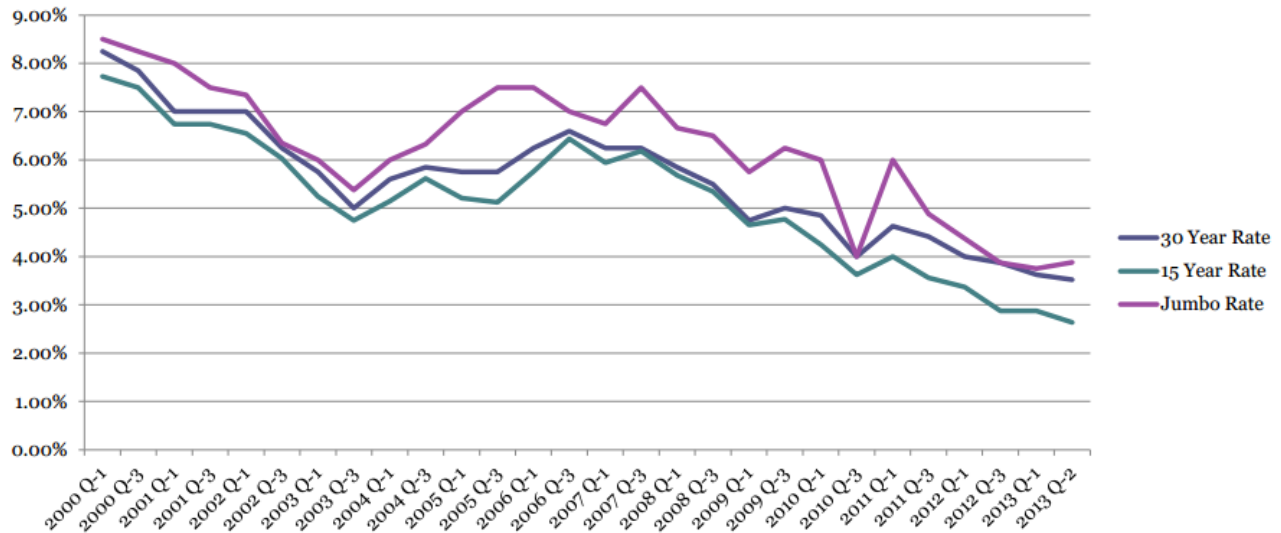
Hemet	
Month's of Inventory	1.57
Low Selling Price	\$34,000
Average Selling Price	\$150,081
Average Rent	\$1,132
Estimated Cap Rate	9.05%
Estimated Cash on Cash Return (25% down)	36.20%

Menifee	
Month's of Inventory	0.59
Low Selling Price	\$95,000
Average Selling Price	\$229,948
Average Rent	\$1,483
Estimated Cap Rate	7.74%
Estimated Cash on Cash Return (25% down)	30.96%

All information presented above is estimated and in no way represents the actual returns of individual properties. Data pulled from CRMLS. Strong performing areas are based on single family homes.



Mortgage Rates – 12 Year Summary



The above chart tracks mortgage rates for the past 12 years. As you can see, mortgage rates are at close to their lowest levels.

CONFORMING

30 Yr Fixed 3.52%

15 Yr Fixed 2.64%

JUMBO (over \$417K loan amount)

30 Yr Fixed 3.88%

I can provide you with a more specific analysis for either your home or your buying price range. Please contact us for more information.